

# Maryland Lottery and Gaming Control Commission

Larry Hogan, Governor



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## MARYLAND LOTTERY AND GAMING CONTROL COMMISSION SPECIAL MEETING MINUTES

DATE: August 10, 2022

TIME: 9:00 a.m.

PLACE: Maryland Lottery and Gaming Control Agency  
(Meeting conducted via audio/video conference call)

PRESENT: Chair E. Randolph Marriner  
Vice Chair George L. Doetsch, Jr.  
Commissioner F. Vernon Boozer  
Commissioner Diane M. Croghan  
Commissioner Harold Hodges  
Commissioner James Stakem  
Commissioner Jerry E. Williams

John Martin, Director  
James Nielsen, Deputy Director, Chief Operating Officer  
James Butler, Assistant Deputy Director, Chief of Staff  
John Mooney, Managing Director, Regulatory Oversight  
Carole Gentry, Managing Director, Communications  
Holly Citko, Principal Counsel, Attorney General's Office  
Jennifer Tosky, Deputy Counsel, Attorney General's Office  
Alan Goodwich, Assistant Attorney General, Office of the Attorney General  
Kathy Lingo, Executive Assistant

OTHERS: Representatives from BetFred Sports (Maryland), LLC  
Representatives from Chesapeake Gaming, LLC  
Representatives from Maryland Stadium Sub, LLC  
MLGCA Licensing Staff

**E. Randolph Marriner, Chair**

F. Vernon Boozer, Diane M. Croghan, George L. Doetsch, Jr., Harold E. Hodges, James J. Stakem, Jerry E. Williams

## **QUORUM ESTABLISHED**

Chair Marriner announced that there was a quorum present for the meeting. Also present virtually were: Vice Chair George Doetsch, Commissioners Vernon Boozer, Diane Croghan, Harold Hodges, James Stakem, and Jerry Williams.

## **CALL TO ORDER**

Chair Marriner called the special meeting of the Maryland Lottery and Gaming Control Commission to order at 9:00 a.m.

## **STAFF REPORT**

### *Regulatory Oversight — John Mooney, Managing Director*

Mr. John Mooney presented one qualification hearing for a Sports Wagering Facility Operator License, and two qualifications hearings for Sports Wagering Facility Licenses.

### *Commission Action Items — **QUALIFICATION HEARINGS***

Chair Marriner stated that the Commission would conduct qualification hearings for one applicant for a Sports Wagering Facility Operator License: BetFred Sports (Maryland), LLC d/b/a BetFred; and two applicants for Sports Wagering Facility Licenses: Chesapeake Gaming, LLC; and Maryland Stadium Sub, LLC. Chair Marriner collectively administered the oath to those who may testify or answer a question in any of the hearings.

The Chair stated that Mr. John Mooney, would conduct a separate hearing for each applicant and describe the results of Staff's investigation into each applicant. Chair Marriner stated that anyone on the call for the hearing on behalf of the applicants may speak. The Commission may also ask questions of Staff or an applicant representative. At the end of the hearings, Chair Marriner will ask for a motion to find that BetFred Sports (Maryland), LLC. has established by clear and convincing evidence that it is qualified for a Sports Wagering Facility Operator License, and Chesapeake Gaming and Maryland Stadium Sub have established by clear and convincing evidence that each is qualified for a Sports Wagering Facility License. If found qualified, he will ask for a motion to direct Staff to draft a decision statement of the Commission on the qualifications of the applicants. Lastly, on the Sports Wagering Facility License applicants, he will ask for a motion for the Secretary of the Commission to transmit the decision statement to the Sports Wagering Application Review Commission (SWARC).

Chair Marriner then administered the oath collectively to: Mr. Mooney and MLGCA staff members Phil Metz, Norman Milligan, Mark Ermer, Raynard Jones, David Robinson and Barry Laurent; from BetFred Sports: Cynthia Hays; from Chesapeake Gaming, LLC: Jennifer DiPietro and Richard DiPietro; and on the call but not sworn in at this time were: Steven Longdon and Michelle Gannon from BetFred Sports; Sean Denny from Chesapeake Gaming; and James McCarroll, and Daniel Snyder from Maryland Stadium Sub, LLC.

Mr. Mooney reported that there would be three hearings: one hearing on the Sports Wagering Facility Operator License application submitted by BetFred Sports (Maryland), LLC; and two hearings on the Sports Wagering Facility License applications submitted by Chesapeake Gaming, LLC, and Maryland Stadium Sub, LLC. MLGCA was required by the Sports Wagering Law to conduct an investigation of each applicant to determine their qualification for licensure.

The Commissioners were provided with the complete confidential investigative report on each applicant. Mr. Mooney proceeded to present the three applicants for qualification.

***Commission Action Item — BetFred Sports (Maryland), LLC — Sports Wagering Facility Operator License Qualification Hearing***

Mr. Mooney reported that the hearing was being conducted on the Sports Wagering Facility Operator License Application submitted by BetFred Sports (Maryland), LLC d/b/a BetFred.

Mr. Mooney read the publicly available summary of MLGCA's investigative report. Mr. Mooney reviewed the regulatory history, ownership and the principal qualifiers of BetFred Sports (Maryland), LLC. He noted that MLGCA's investigation has confirmed that the applicant has sufficient financial resources, and found no derogatory information regarding the applicant's qualifications. Based on the criteria in SG § 9-1E-07(e)(6), COMAR 36.10.03.02, and COMAR 36.10.06.03, BetFred Sports (Maryland), LLC is qualified under SG § 9-1E-07(e) and not disqualified under COMAR 36.10.03.02C. MLGCA concluded that the applicant has established by clear and convincing evidence the qualifications required for a Sports Wagering Facility Operator License.

Ms. Cynthia Hayes, Vice President, Compliance for BetFred thanked MLGCA staff for its help throughout the process, in particular, Phil Metz and Teresa Amann, as well as, Russ Newell for his assistance with the vendor registration process.

Commissioner Hodges asked Mr. Mooney what kind of background check was conducted on BetFred's owners. Mr. Mooney responded there were no issues raised on any of the applicants, adding that investigations look at the applicants' complete financial history and include litigation searches. He added that MLGCA conducts very intrusive investigations of applicants, not only on their businesses, but personally.

Commissioner Hodges asked if interviews were done on any of the applicants or their vendors. Mr. Mooney deferred to the licensing staff to respond. Mr. Raynard Jones responded that no interviews are done during the investigation process for issuing temporary principal licenses; they are done later, if needed prior to issuing a principal license.

Commissioner Hodges asked if MLGCA Licensing staff did a review of the risk exposure of Betfred, as an LLC to the larger parent, and what kind of exposure there is to Maryland. Mr. Jones confirmed that staff reviewed the risk. Commissioner Hodges asked if there was anything that stood out. Mr. Ermer said there were no findings that were unusual or that caused concern.

Commissioner Hodges asked if there was a review of audited statements for the last five years. Mr. Ermer responded that the investigation looked at audited financial statements, and that the company's auditors had no concerns with their financial statements or financial condition. Mr. Ermer added that the company's tax returns were consistent with their audited financial statements.

Commissioner Hodges asked to what extent the company had positive profitability, and how it compared to competitors. Mr. Ermer responded that over a five-year period BetFred had turned a profit of \$320 million. Commissioner Hodges asked about the company's percentage of profitability. Chair Marriner reminded Commissioner Hodges that the information was covered in the confidential report provided to all Commission members, and that it is not permissible to discuss confidential financial information in a public meeting. Commissioner Hodges sought clarification on the nature of the Commission's discussion. Chair Marriner reiterated that the information about which Commissioner Hodges inquired is contained in the confidential report,

and that the Commission's public discussions cannot include specific financial information that is not contained in the public report, because such information is confidential. Commissioner Hodges had no further questions.

Mr. Mooney explained that applicants for principal licenses are all licensed as temporary first. Once approved, a full background investigation is completed, and pending the outcome, principals are granted their full licenses at a future date.

There being no further questions, Chair Marriner asked for a motion to find that BetFred Sports (Maryland), LLC has established by clear and convincing evidence that it is qualified for a Sports Wagering Facility Operator License. Commissioner Stakem moved, Vice Chair Doetsch seconded, and the motion was granted by a 6-1 vote. Commissioner Hodges opposed.

Chair Marriner asked for a motion to direct Staff to draft a Decision Statement of the Commission on the qualification of BetFred Sports (Maryland), LLC. Vice Chair Doetsch moved, Commissioner Williams seconded, and the motion was granted by a 6-1 vote. Commissioner Hodges opposed.

#### ***Commission Action Item — Chesapeake Gaming, LLC — Sports Wagering Facility License Qualification Hearing***

Mr. Mooney reported that the hearing was being conducted on the Sports Wagering Facility License Application submitted by Chesapeake Gaming, LLC.

Mr. Mooney read the publicly available summary of MLGCA's investigative report. Mr. Mooney reviewed the regulatory history, ownership and the principal qualifiers of Chesapeake Gaming, LLC, which plans to operate a sportsbook in conjunction with its off-track betting venue in Boonsboro. He noted that MLGCA's investigation has confirmed that the applicant has sufficient financial resources, and found no derogatory information regarding the applicant's qualifications. Based on the criteria in SG § 9-1E-07(e)(6), COMAR 36.10.03.02, and COMAR 36.10.04.06, Chesapeake Gaming, LLC is qualified under SG § 9-1E-07(e) and not disqualified under COMAR 36.10.03.02C. MLGCA concluded that the applicant has established by clear and convincing evidence the qualifications required for a B-2 Sports Wagering Facility License.

Jennifer DiPietro introduced herself as one of the owners, stating that Chesapeake Gaming, LLC is a family business owned by Ms. DiPietro and her son Mr. Richard DiPietro. Ms. DiPietro is a certified woman business enterprise owner in Maryland for more than 30 years. Ms. DiPietro said that Chesapeake Gaming, LLC is still actively seeking a sports wagering operator to partner with. Ms. DiPietro thanked MLGCA staff for support in helping Chesapeake Gaming, LLC get a Class B-2 sports wagering license.

Mr. DiPietro also thanked MLGCA for its assistance during the process. He added that Chesapeake Gaming, LLC has a 1,000-person event center, and is planning construction of a brewery and is excited to move forward and find an operator.

There were no questions from the Commission.

Chair Marriner asked for a motion to find that Chesapeake Gaming, LLC has established by clear and convincing evidence that it is qualified for a B-2 Sports Wagering Facility License. Commissioner Stakem moved, Commissioner Williams seconded, and the motion was granted by a 6-1 vote. Commissioner Hodges opposed.

Chair Marriner then asked for a motion to direct Staff to draft a Decision Statement of the Commission on the qualification of Chesapeake Gaming, LLC. Vice Chair Doetsch moved, Commissioner Williams seconded, and the motion was granted by a 6-1 vote. Commissioner Hodges opposed.

Chair Marriner then asked for a motion to direct the Secretary of the Commission to transmit the Decision Statement to the SWARC. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was granted by a 6-1 vote. Commissioner Hodges opposed.

***Commission Action Item — Maryland Stadium Sub LLC — Sports Wagering Facility License Qualification Hearing***

Mr. Mooney reported that the hearing was being conducted on the Sports Wagering Facility License Application submitted by Maryland Stadium Sub, LLC.

Mr. Mooney read the publicly available summary of MLGCA's investigative report, which is published at mdgaming.com. Mr. Mooney reviewed the regulatory history, ownership and the principal qualifiers of Maryland Stadium Sub, LLC, which plans to operate a sportsbook at FedEx Field in Landover, home of the NFL's Washington Commanders. He noted that MLGCA's investigation has confirmed that the applicant has sufficient financial resources, and found no derogatory information regarding the applicant's qualifications. Based on the criteria in SG§ 9-1E-07(e)(6), COMAR 36.10.03.02 and COMAR 36.10.04.06, Maryland Stadium Sub, LLC is qualified under SG § 9-1E-07(e) and not disqualified under COMAR 36.10.03.02C. MLGCA concluded that the applicant has established by clear and convincing evidence the qualifications required for an A-1 Sports Wagering Facility License.

Mr. James McCarroll informed the commission that he was counsel for Mr. Daniel Snyder, the sole owner of Maryland Stadium Sub, LLC, and that Mr. Snyder was on the line and wished to speak. Chair Marriner informed Mr. McCarroll that he and Mr. Snyder would need to be sworn in before speaking. Chair Marriner administered the oath to both.

Mr. Snyder thanked everyone at MLGCA and in Prince George's County, where the stadium is located. Mr. Snyder informed the Commission that the stadium has been upgraded, and that the Washington Commanders are expecting strong attendance this year.

There were no questions from the Commission.

Chair Marriner asked for a motion to find that Maryland Stadium Sub, LLC has established by clear and convincing evidence that it is qualified for an A-1 Sports Wagering Facility License. Commissioner Doetsch moved, Commissioner Stakem seconded, and the motion was granted by a 6-1 vote. Commissioner Hodges opposed.

Chair Marriner then asked for a motion to direct Staff to draft a Decision Statement of the Commission on the qualification of Maryland Stadium Sub, LLC. Vice Chair Doetsch moved, Commissioner Williams seconded, and the motion was granted by a 6-1 vote. Commissioner Hodges opposed.

Chair Marriner then asked for a motion to direct the Secretary of the Commission to transmit the Decision Statement to the SWARC. Vice Chair Doetsch moved, Commissioner Williams seconded, and the motion was granted by a 6-1 vote. Commissioner Hodges opposed.

**DATE AND TIME OF NEXT MEETING**

The next regular Commission meeting will be held on Thursday, August 25, 2022, at 10:00 a.m., in-person at Maryland Lottery and Gaming headquarters in Baltimore and via audio/video conference.

**ADJOURNMENT**

There being no further business, Chair Marriner adjourned the meeting at 9:40 a.m.

Respectfully submitted,

  
John Martin  
Director